

Do you have anything to add, Senator?

Senator GRUENING. I just want to raise this question before our panel returns. The purpose of this hearing as far as the Alaskans are concerned, is to prevent what appeared to be threatened in the staff memorandum of the Treasury Department, and to maintain the existing situation.

I wondered if there was anything in the testimony that I did not hear which indicated that maybe a further improvement on the existing situation had been discussed, whether the policies which the Forest Service pursues couldn't be improved to the advantage of the various segments of the industry. Has that question come up in the discussion?

Mr. MURKOWSKI. Senator, I think Mr. Daly informed the group that a large number of these gentlemen here will be leaving for Japan this afternoon, are scheduled to look into the possibility of the development of further manufacturing of the product over there, the basic market that has been developed over there.

Senator GRUENING. Well, I think that we should always take the position that when things are good, they are fine, but they might be better, and I think that so far it has been very clear that the present policies of the Forest Service are, broadly speaking, satisfactory to the industry. The question is whether there are further modifications which occur to the members which would improve the situation. I think that is one of the things we should certainly consider.

Senator MORSE. Before I close your appearance before the committee, I want to make this comment on the observations Senator Hatfield made at the close of your questioning, as to whether or not the Oregon lumber mills would prefer the primary processing to finished lumber processing. From the standpoint of our mills, the testimony is clear and the representations of the Oregon lumber mill operator is that they would welcome the opportunity to receive orders from Japan for finished lumber. They will cut to any dimension the Japanese seek, if they receive the orders that justify whatever modifications in plant operations would be necessary to cut to those dimensions—2 by 4's, 4 by 4's, flooring, rounds, or plywood in whatever dimensions they want. I think it is clear that our mill operators would welcome an opportunity to produce finished lumber in all dimensions, based upon the view that it would be more profitable than cants.

That doesn't mean they wouldn't welcome the opportunity to produce cants, but from the standpoint of our State economy in the supplying of jobs in our State, the production of completely finished lumber would be more profitable and more desirable from the standpoint of the economy of our State. We have made representations to the State department that in their negotiations with Japan on February 20, as far as our industry is concerned, we would welcome an agreement whereby Japan would agree to buy a larger quantity of completely finished lumber of whatever dimensions the Japanese buyers may need.

That does not mean that we wouldn't sell cants if that would be the limit of their order. But when you look at the economy of our State, it is the full production of finished lumber that gives us the greatest amount of jobs, and the greatest strength to the economy.